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THE NATIONAL COUNTERINTELLIGENCE PROGRAM

- o The national counterintelligence program has been and continues to be the product of the collective, synergistic effort of various agencies, each of which has specific responsibilities. Operational coordination is effected bilaterally by the FBI within the U.S. and by the CIA outside the U.S. Overall policy and program development and coordination has been effected by an NSC-level committee structure, within an SCC framework under the Carter Administration and within a still-evolving, not-yet-established SIG-IG framework under this Administration. An ideal committee structure involves an overall counterintelligence committee and special committees for particular problems such as technology transfer, international terrorism and telecommunications protection.
- o There is no desire or intention to establish a single agency with total counterintelligence responsibility in the U.S. and abroad. For political and other reasons, this is an unacceptable course. There is also no one person responsible for all countermeasure activities. As I noted in my testimony to the SSCI on 25 March 1981, the range of the total problem and the diversity of the capabilities needed to meet it is too great. An overall committee structure can ensure that resources are mobilized and focused on the problem, with a coordination and an oversight that works to see that nothing falls in between. There is no need for detailed management. That is the responsibility of each operating agency head, just as protective security, including operational security or OPSEC, remains the responsibility of particular project, activity or program managers.
- o My interagency Community Counterintelligence Staff, now part of the Intelligence Community Staff, is charged with and produces for the NSC a periodic, comprehensive national assessment of the total threat against the U.S. from hostile intelligence services and of the effectiveness of United States countermeasures against that threat. Total threat includes not only the espionage and other HUMINT threats, but also the full range of imagery and SIGINT threats. A new national assessment is under preparation and will be more countermeasure-oriented than previous iterations. It will also include an evaluation of the foreign "active measures" threat against the U.S. and our countermeasures against that particular threat.
- o The Community Counterintelligence Staff is deliberately small. It does not maintain the type of detailed files maintained by operating or production agencies, but uses finished, disseminated studies and special inputs provided to it by those agencies. Staffing is accomplished by rotational personnel assigned from CIA, OSD, the FBI and NSA. The quality of the national assessment thus depends in good part on the quality of the output and effort of the various Community agencies. The Community Staff and the national structure devote considerable attention, therefore, to seeking to achieve a high quality operating and production agency effort.

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- o Staff support on problems, issues and actions falling within the NSC-level committee purview has been provided variously by the Community Counter-intelligence Staff and individual agencies in response to specific tasking.
- o The national structure described above is considered pragmatically effective to identify and limit or negate, as feasible, complex, variegated hostile intelligence and "active measures" threats against the U.S. The structure optimizes the creative, collegial efforts of many U.S. counter-measure agencies with different responsibilities and capabilities. Its multidisciplinary concern with the total threat and with an integrated countermeasure approach is a relatively new development which has clearly demonstrated its worth.
- o The reason for the unsettled and still continuing evolution of the structure is primarily due to differences over who should chair it in view of an Administration desire that it be a senior Community official rather than a senior NSC official. If the Administration should change its views on this, however, I believe a good, compromise solution acceptable to all would be for there to be an NSC chairman.
- o In regard to the foregoing discussion, I wish to note for you that the SSCI classified FY 1982 budget report stated:

"The Committee recommends . . . that the Administration establish a new permanent interagency staff entity with more substantial representation from the principal agencies and with a clear mandate to improve the quality of the assessments of U.S. counterintelligence and related security measures, to promote the formulation of national policies for strengthening these programs, and to follow-up national policy decisions. The staff should be separate from any entity established by the DCI to coordinate and approve FCI operations abroad. Although the approval and conduct of operations in the United States should remain the responsibility of the FBI Director and the approval and conduct of operations abroad should remain the responsibility of the DCI, the staff should include operational matters in national assessments and provide both the FBI Director and the DCI with a means for ensuring adequate coordination between operations within the United States and abroad. The integrated staff should be responsible and accountable to the President and the National Security Council through an appropriate Executive branch official."

- o Comment: I believe that the retention, modest enlargement and organizational relocation of the small staff formerly identified as the Special Assistant to the DCI for Counterintelligence in large measure responds to the SSCI recommendation. I am confident that a national counterintelligence policy committee will evolve as a part of the NSC structure, and the Community

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Counterintelligence Staff will continue to function in support of it. As additional specific tasks are identified for the Staff to address, I am willing, with SSCI support, to consider further modest augmentation of the Staff toward fulfillment of the SSCI recommendations.

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